

Internal Audit Report

**EXIT AUDIT
CHARLES M. CAVE
SHERIFF'S DEPARTMENT
MARCH 2007**

Office of the County Auditor





OFFICE OF THE COUNTY AUDITOR

Keith Zumbrun C.I.S.A.
Acting County Auditor

March 2007

The County Council and County Executive
of Howard County, Maryland

Pursuant to Section 213 of the Howard County Charter we have conducted a

TERM EXPIRATION AUDIT
FOR
CHARLES M. CAVE

and our report is submitted herewith. The charter requires the County Auditor to perform an audit upon the "...death, resignation, removal or expiration of term of any County administrative officer." This audit was initiated because of the retirement of Charles M. Cave, as Sheriff effective December 15, 2006.

Our review indicated that the assets relating to and under the control of Mr. Cave have been adequately accounted for in accordance with County requirements. The Administration will be responsible for distributing a copy of this report to Mr. Cave and arranging for implementation of any recommendations. We wish to express our gratitude to the staffs of the Sheriff's Department and the Office of Human Resources for their cooperation and assistance extended to us during the course of this engagement.

A handwritten signature in black ink, appearing to read "Keith Zumbrun", written over a horizontal line.

Keith Zumbrun
Acting County Auditor

A handwritten signature in black ink, appearing to read "Leo Oken", written over a horizontal line.

Leo Oken, C.P.A.
Auditor-in-Charge

INTRODUCTION AND SCOPE

In accordance with Section 213 of the Howard County Charter, the County Auditor is required to perform an audit upon the "...death, resignation, removal or expiration of term of any County Administrative Officer." Mr. Charles M. Cave was the Howard County Sheriff until December 15, 2006, when the newly elected Sheriff assumed office. Accordingly, we have performed a review of the leave records and final pay records of the Sheriff's Office for the period July 1, 2006 through December 31, 2006 that related to Mr. Cave. In addition, we reviewed the County's financial records at December 31, 2006 to determine that the Sheriff's Department was within its budget allocation.

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and other auditing procedures, as we considered necessary in the circumstances. This primarily involved a review of travel advances, expense reimbursements, leave records, final pay, release of signatory authority, cancellation of computer systems access, and the custody and return of County property.

FINDINGS AND RECOMMENDATIONS

Leave Records and Final Pay

As an elected official of the Howard County government, Mr. Cave did not accrue annual leave during his term of office. We examined the final paycheck issued to Mr. Cave and determined that the calculation of the payment amount was accurate and that the Payroll Division applied an approved method established by the Federal Tax Code for determining State and Federal tax withholding for this payment. We validated the information on the corresponding manual check calculation by recalculating gross pay and deductions on the final paycheck.

County Assets and Access to County Property

The Separation from Employment section of the Howard County Employee Manual requires the employee to surrender all property issued by the County. We obtained a copy of the "Employee Inventory checklist" of assets under Mr. Cave's control. However, at the time of his departure, this document was not used to confirm the return of County property. We used official memoranda and other related documents to ascertain that all items issued to Mr. Cave were returned to a responsible Howard County employee. These included access cards, keys, cell phones, pager, service weapon and other service related items, identification card and County-owned vehicle. We determined that Mr. Cave did not have any outstanding debts or travel advances due to County. We also confirmed that Mr. Cave's access privileges to the various Howard County and State of Maryland computer applications were suspended upon his retirement.

The Howard County Employee Manual also states that an employee, depending on his/her status, may be required to file a financial disclosure statement pursuant to Section 22.205 of the Howard County Code. However, the position of Howard County Sheriff is not one of those required to file statements of financial interest under this section of the Code.

Expenditures and Encumbrances

We reviewed expenditures vs. budget for the Sheriff's Department for FY2006 to determine if any expenditure significantly over budget occurred in Mr. Cave's areas of responsibility. We found that year-to-date obligations (\$3,549,000) were approximately 4% under the total amount budgeted for the department and that estimated aggregate expenditures for the fiscal year should not exceed budget.

Policies and Procedures

In regards to policies and procedures for employee resignations, the County follows the "Separation from Employment" section of the Employee Manual. The Separation from Employment section lists various duties as the responsibility of the resigning employee when separating from the County. Before adoption of the current Employee Manual, the separation policy required that Human Resources obtain certification from the Purchasing Division, the Central Services Division, and the Department of Technology and Communication Services regarding the suspension of the employee's access to County assets and property. We believe that the responsibility for ensuring that the departing employee has surrendered all assets and access to County property rests with both the employee and the various County agencies that granted access to County assets. The appropriate agencies should certify to Human Resources that the employee's access has been rescinded. These procedures should be documented in the Employee Manual.

We therefore recommend that:

1. *The Administration amend the general rules related to separation from employment to provide for an independent verification of compliance with these rules. The revised procedures should specify that a representative of the Office of Human Resources is responsible for verifying that all items such as identification cards, keys, procurement cards and any other property issued by the County are surrendered upon separation and that a signed, complete employee checklist is obtained and secured with the former employee's personnel records.*